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DEPARTMENT OF STATE

AIRGRAM

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A-445 MESSAGE CENTER CONFIDENTIAL PRIORITY

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1963 OCT 28 PM 4 27

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Summary

Although the 1963 campaign resembles in some ways campaign of 1961, there is basic difference in tone. While Caramanlis in 1961 seldom mentioned CU by name, he is now hitting hard at that party, probably reflecting his anger at what he considers the "blackmailing" tactics of CU in waging "unrelenting struggle" and in demanding the resignation of Pipinelis Government. Papandreou, on the other hand, [redacted] appears to be moderating his attacks somewhat. Markezinis' campaign has been characterized by a concentration on economic and social issues, and he has avoided personal attacks, indicating his probable intention to cooperate with one or other party [redacted] after elections. The EDA campaign differs little from that of previous years, with the usual attacks on "foreign monopolies" and "missle bases," although

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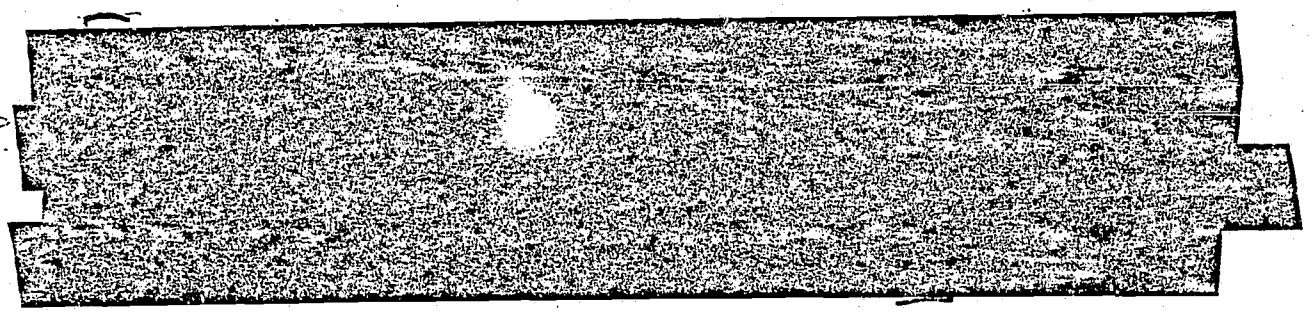
violence October 17 at opening of EDA Athens headquarters could interject a new element into the campaign. The party has fully exploited the Lambrakis affair.

Both ERE and CU claim that "democracy" is the chief issue of the campaign, with Caramanlis charging that the CU's "unrelenting struggle" and policy of "blackmail" has undermined democracy, while Papandreou asserts that the use of "violence and fraud" in the 1961 elections and alleged ERE encouragement of parastate organizations endangers political freedom. While the Lambrakis death undoubtedly tarnished somewhat Caramanlis' image, its long term effect has probably been limited.

Foreign policy will probably play a lesser role than in 1958 and in 1961, although Caramanlis' Cyprus policy and relations towards Turkey will continue to be criticized by the opposition. Another point is the opposition charge that Greece is "out of line" with the rest of world, which appears to be moving towards improved relations with Soviet Bloc. Charges about alleged U.S. pressure on the ERE Government to grant an outlet to the Bulgarians on the Aegean will probably have some adverse affect on the ERE vote.



The fact that economic issues appear to be playing a relatively secondary role in this year's campaign is in a sense a tribute to the success of Caramanlis' economic policy. Although pockets of discontent do exist--the disparity between urban and rural income, the increasing farm debt, the dissatisfaction of various urban groups, etc.--nevertheless there is no sense of wide-spread economic grievance, and the fact that real wages are 4% over last year is a favorable asset for the ERE Government. The opposition has leveled strong attacks at the high rate of Greek emigration, which this year is expected to reach 100,000 persons. While economists view the question of emigration with mixed opinions, undoubtedly it is reaching the point where it could be harmful to national production.

Caramanlis' approach to the country's economic problems has been essentially a constructive one, and he has outlined a new ten year program to bring about "rapid industrialization" of the country. Papandreou, reflecting the

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fact that he and his party have been out of office for many years, has adopted a "pie in the sky" approach and has promised greater benefits for all. All parties have devoted considerable attention to the pressing need for educational reform.

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1. The Campaign

In a sense this year's electoral campaign bears many resemblances to the one of October 29, 1961. As in the 1961 elections, the leaders of the principal parties are the same: Constantinos Caramanlis for ERE, George Papandreou for the CU, and Ioannis Passilidis for the Communist-line EDA (or PAME, as the pseudo-EDA coalition was called in 1961). True, Spyros Markezinis is running independently in this election at the head of the Progressive Party, but this fact will probably not alter the basic outcome of the elections.

It is rather in the way that one sees the basic difference between the campaign of 1961 and the one of today. In 1961 Caramanlis seldom mentioned the Center Union by name, and instead concentrated his fire on the extreme left, even telling his listeners on one occasion that if they didn't vote ERE, to "at least vote nationalist." This reluctance to attack the Center Union in 1961 was perhaps due in part to the fact that Caramanlis himself had played a role in the creation of the Center Union, because of his concern with the "polarization" of Greek political life which resulted after the 1958 elections. Thus, Caramanlis formulated the 1961 electoral law which, by discouraging splintering and favoring the larger parties, assisted in bringing the CU leaders into agreement on a single party.

However, Caramanlis' attitude towards the CU opposition has apparently undergone a radical change. Upon his return from Zurich last month, the former Prime Minister denounced the "slanderous, blackmailing" campaign waged by the Center Union, both against the result of the 1961 elections, and in demanding the resignation of former Prime Minister Pipinelis as the price for CU participation in the elections. And in a statement that caused considerable surprise in the Greek political world, he added rather ominously that, after the elections, he personally would "take care of Mr. Papandreou."

Whether this was just a manner of speech or whether Caramanlis actually envisions taking some kind of legal action against Papandreou is unclear, but in any case it indicated the angry mood with which Caramanlis returned to Greece, as well as the tone with which he has been waging his campaign. In his opening speech at Thessaloniki on October 6 (and in subsequent speeches throughout the country) Caramanlis hammered away at what he called the "disgraceful" tactics of the CU, and went so far as to assert in one speech that the CU "is no better than the Communists."

Papandreou, for his part, during the months since the 1961 elections had already established a reputation as a fire-eating partisan who bitterly attacked the Caramanlis (and later the Pipinelis) government and on occasion even made veiled threats against the Crown. However, at least in the early stages of the 1963 campaign, Papandreou appears to be moderating his line slightly; and in his initial speech in Thessaloniki October 13, he did not give the angry reply to Caramanlis that had been expected.

[redacted] It is to be noted that the CU leader has included praise of the Crown in some of his recent speeches, after coming perilously close to raising the "regime question" during the months prior to Pipinelis' resignation.

The Markezinis campaign, which was kicked off by his speech October 15 in Piraeus, appears to be aimed at appealing to a fairly sophisticated audience. His speech contained none of the personal attacks which his opponents have been employing against one another but concentrated instead on social and economic issues, calling for a national health scheme and basic changes in the country's economic structure in order to cope with the problems attendant upon Greece's entry into the Common Market. Markezinis, of course, has few illusions of his party acquiring a real mass base, but rather hopes to appeal to the middle-level professional and businessman. Further, his moderation and lofty appeal are undoubtedly influenced by the fact that he does not wish to alienate the leaders of ERE and CU, since he unquestionably hopes to be in a position to throw his weight to either one or the other party (most probably ERE) after the elections in return for a Cabinet post. In this connection, it is noteworthy that Kathimerini, the powerful independent conservative daily of Eleni Vlachou, is giving highly favorable coverage to Markezinis' campaign, probably reflecting Mrs. Vlachou's current disaffection from Caramanlis (although not from ERE) and her desire to see Markezinis play an important role in any government that is formed after the elections.

The EDA campaign, which has still to get off the ground is belaboring the "tyranny" of the ERE government and the threat to democracy allegedly posed by Caramanlis. However, the events of October 17, when Communist followers participating in the opening of the EDA electoral center in Athens clashed with police, has raised the possibility of further disturbances to come on the part of the extreme left party. Until October 17, the 1963 electoral campaign had been progressing smoothly under the service government of Prime Minister Mavromichalis, and had not been marred by any serious incidents. But the riot of October 17 raises the suspicion that EDA, with its poor electoral prospects, had hoped to achieve another Lambrakis-type of "martyr" or at least to convince some elements of the Greek public that they were being persecuted by the police.

In any case, the EDA program, published in the Communist-line Avyi of October 16, contained the usual polemics and slogans that the party had used in its previous campaigns, such as a "neutral" foreign policy, abolition of foreign bases, denunciation of agreements that "grant privileges to foreign monopolies," an over-all increase of 20% in wages and 30% in pensions, abolition of "anti-labor" legislation, free medical care for all, etc. In addition the platform calls for "prompt discovery and exemplary punishment of the Lambrakis murderers" and dissolution of "fascist parastate organizations" and TEA.

The 1963 campaign will reach its climax in the week immediately preceeding the elections, with all parties staging major rallies in Athens. While the size of the crowds and the degree of their enthusiasm are not necessarily the most accurate indicators of political sentiment, nevertheless they give some indication of the popular feeling, and the Athens rallies will be watched closely by political observers for some indication of changes in public attitudes. (The present schedules for the final rallies in Athens are as follows: EDA, October 29; Progressives, October 30; CU, October 31; and ERE, November 1.

2. The Issues

(a) " Democracy"

Greek politicans traditionally spend little time in formulating elaborate party programs; they usually prefer to base their appeals more on the personalities of the candidates than on issues. True, before or during every election each party presents a long, detailed program which is duly printed and published (although seldom read) so that for the record at least, there is in existence a party program to which one may refer to see the party's policy on a given issue. At the time of this writing (8 days before the election) neither ERE or the CU has published its official program.

Nevertheless, in every election each party adopts a slogan or slogans which symbolize its respective political ideology and approach to the central problems of the day. Thus, Caramanlis has in the years since 1955 effectively campaigned under slogans stressing the economic progress and stability that his administration has given the country. The "center" parties have in recent years made much of their concern for the working classes and set forth demands for a "fairer distribution of the spoils." In the present election the major issue shaping up between ERE and CU is the question of "Democracy."

Ironically, both Caramanlis and Papandreou have asserted that "democracy" has been undermined by the "irresponsible" tactics waged by the Center Union against the results of the 1961 elections as well as by the "blackmailing" of the King to force the resignation of former Prime Minister Pipinelis. Papandreou, on the other hand, asserts that the use of "violence and fraud" in the 1961 election, the "Lambrakis affair", (Lambrakis was the leftist deputy who died from injuries received in a Thessaloniki "peace" rally last May) and the alleged corruption of the State machinery at all levels has endangered political freedom in the country. The extreme left, of course, echoes the CU charges.

Exactly how much impact the charges and countercharges about the threat to democracy has had on the Greek voter it is difficult to say. Unquestionably the death of Lambrakis in late May shocked the Greek public, raising as it did the specter of political assassinations of the 1930's. But while Lambrakis' death to some extent tarnished the Caramanlis image, despite determined opposition efforts, Caramanlis personally has not been linked to the Lambrakis death, nor have any other civilian members of the former ERE government. Further, the attacks upon the gendarmerie appear to have provoked a counter-reaction on the part of many citizens, particularly in Northern Greece, who have been disturbed about the possible damage to the morale of this important anti-Communist institution. On balance, it would seem that while the Lambrakis death initially shocked the Greek public and gave some credence to opposition charges about government involvement with extremist right-wing organizations, its long-term effect has been limited. In addition, the impact of the "Lambrakis affair" was further lessened by the fact that only a week after Lambrakis' death the country was thrown into a months-long political crisis by the resignation of Prime Minister Caramanlis, which tended to divert public attention from the Thessaloniki incident.

(b) Foreign Policy

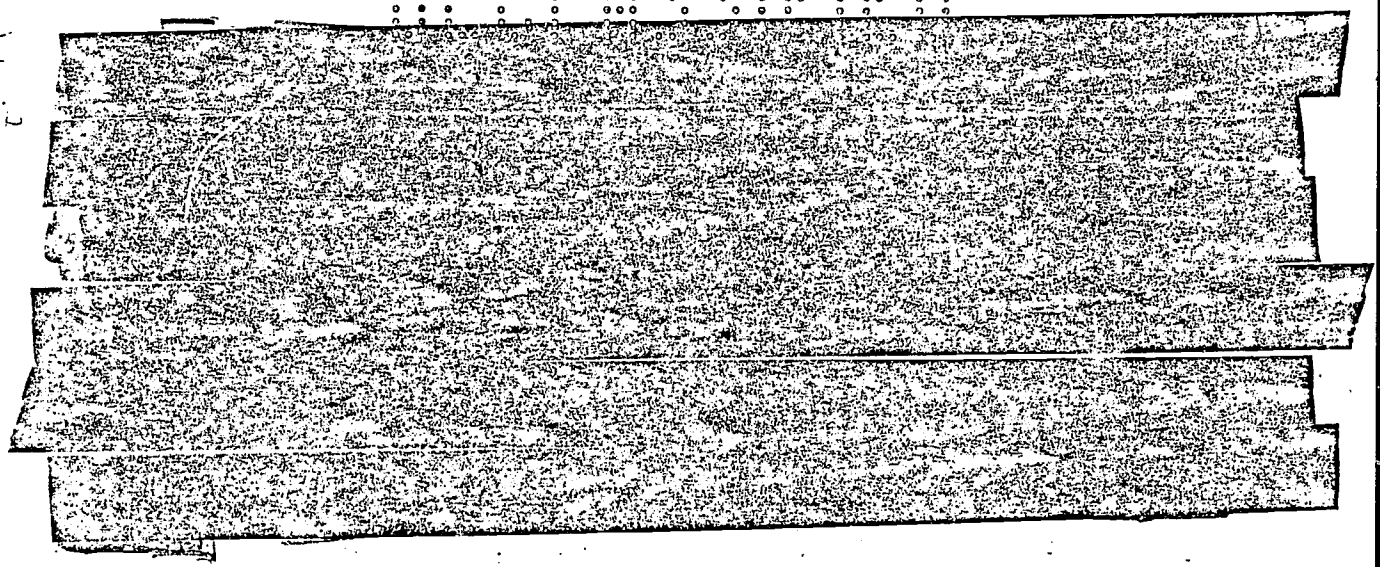
In the last two Greek elections foreign policy issues have played important roles. In the 1958 elections popular resentment over the Caramanlis role in the Cyprus question was an important factor in the decline of ERE's percentage of the popular vote from 1956's 47% to 1958's 41%, as it was in the rise of Communist strength from an estimated 13% of the popular vote of 1956 to over 24% in 1958. In 1961, international issues worked in favor of Caramanlis and the ERE party. In that year the international situation was tense; the Soviets had just broken the moratorium on atomic testing; Khrushchev had made his ill-advised threat to drop bombs on the Acropolis; and reports circulated in Greece about the massing of former Greek guerrillas on the Northern frontiers. These factors were hardly calculated to make the Greek voter "go PAME" in 1961, and the result was a resounding victory for ERE.

This year foreign affairs will probably play some role, although up to now a lesser one than in the previous two elections. The CU (and Markezinis and EDA as well) will continue to criticize the Cyprus settlement, the Caramanlis-Averoff handling of relations with Turkey will be attacked as too soft, and the alleged ERE Government's "failure" to obtain greater recognition in the Western alliance for Greece's important contribution to Western defense will come under fire. But, basically, the foreign policy views of the two nationalist opposition parties--the CU and the Progressives--differ little from those of ERE on basic principles. Only EDA attacks Greek membership in NATO, and calls for a "neutral" for foreign policy, but Greek participation in the Western Alliance is so firmly accepted by the majority of the Greek public that even the Communists appear to be only going through the motions of challenging it.

Probably the most significant foreign policy issue this year is the question of whether or not Greece is in line with the rest of the Free World, which appears to be moving towards a kind of "detente" with the Eastern Bloc. Thus, those who have always urged a more "flexible" foreign policy--and this includes some prominent members of the Center Union--can now point triumphantly at the recent moves towards improved relations with the Soviet Bloc and charge that Greece is being "left behind" in this trend. Perhaps in an effort to meet this criticism, in his opening speech in Thessaloniki October 6 Caramanlis noted that while Greece belonged to the West, "it also belongs to the whole world," and stressed that Greece shares the "painstaking efforts of the Western Governments to establish an understanding with the East, an understanding which Greece sincerely wants."

Another issue which has been raised and which could have some adverse effect on the ERE vote is the charges that the Caramanlis Government and its successor, the Pipinelis Government, had not firmly resisted alleged U.S. "pressure" to grant an outlet on the Aegean sea to Bulgaria. Ironically, this charge was first raised by an extreme rightist Thessaloniki paper, Ellinkos Vorras, whose erratic editor, Elias Kirou, reported (in mid-July) that he had "confirmed information" that the U.S. was pressuring Greece to grant such an outlet as part of an alleged new American policy towards the Balkans. The charge was raised again in September by CU leader Sophocles Venizelos, writing in the opposition To Vima and citing the Vorras article as his source, and later in October by Greek journalist Elias Demetracopoulos in a series of interviews with U.S. officials carried in the opposition Eleftheria. Prompt and emphatic Embassy denials were useful in countering

the sense of unease apparently felt by many Greeks about the fictitious U.S. support for Bulgarian efforts to obtain an Aegean outlet.



(c) Economic Discontent

In a sense it is a tribute to the success of the Caramanlis economic policy that economic issues seem to be playing a relatively secondary role in this year's campaign. Not that there is no economic discontent; there is, particularly among those sectors of the population who feel that they have not shared in the over-all economic progress of the country during recent years. Farm income lags considerably behind urban income, and the farm population is iscreasingly concerned with its mounting debt to the Agricultural Bank (about which both parties have promised to do something.) In the cities, both the white collar and laboring classes are demanding a larger share of the national income, and this year's strikes of such desparate groups as the teachers and bus operators indicates the wide range of economic dissatisfaction.

Nevertheless, economic issues appear to be less important this year than in the last two elections. Wages during the past year have increased at a considerably faster rate than prices--real wages are up 4% for the year--and there is almost no inflation. Unemployment is going down both in rural and urban areas, and there are plenty of goods available on the market. A shortage of labor--an unusual situation for Greece with its tradition of chronic unemployment--has become characteristic of some occupations.

One point on which the opposition has concentrated considerable fire is the high rate of emigration. Last year the number of persons leaving the country was around 84,000, and this year the figure is expected to reach 100,000, of whom about half will go to West Germany. While the opposition has often referred to this as a "national hemorrhage," economists have mixed feelings about the effect of emigration on the economy. It is beneficial to the economy in that it relieves pressures in areas of unemployment; further, the remittances that these emigrants

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send back is an important source of foreign exchange. In addition, some of those who go abroad, particularly to West Germany, return trained in skills badly needed by the fledgling Greek industry.

However, the rate of emigration has reached such a point that it could prove harmful to national production, and has already caused seasonal shortages of farm labor and consequently hiked up the cost of agricultural products. Further, on the political side, this emigration is often attacked because it means the loss to the country of many of its finest young people.

[redacted]

On the economic question as a whole, Caramanlis' approach in the campaign has been essentially a constructive one. He has cited the gains made during his administration in every field--agricultural development, industrialization, power, workers' income, etc.--and at the same time outlined in broad terms a new ten-year program which would bring about "rapid industrialization" of the country and provide jobs "for all Greek workers." In this way, the former Prime Minister has pointed out, emigration will cease to be a problem. Papandreou, on the other hand, has adopted a "pie in the sky" approach, and without specifying his plans in detail, he has promised greater benefits for all. Of course, the two approaches reflect the different position of the two men: Caramanlis, having been in power for eight years, keeps his promises within the realm of the possible, while Papandreou, representing a party which has been in opposition and out of office for over 10 years, does not feel the need to confine himself to such limitations but pledges "more" to everyone.

Interestingly enough, all of the parties have devoted a considerable amount of attention to education, reflecting the growing interest--and concern--of the Greek public towards that problem. Caramanlis has promised to reform completely the antiquated Greek educational structure, and to supervise personally this reform. Papandreou, charging that Caramanlis has "lost eight valuable years" before embarking on a program of educational reform, has pledged a "resurrection" in the educational sphere, while Progressive leader Markezinis calls for "several" new universities. Fortunately for the country, it appears that whichever party wins the elections, the much-needed reform of education willbe one of the first tasks it will attack--or at least so the Greek public has been promised.

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3. Relative Strength of the Parties

(a) ERE

Since 1951 the conservative parties have never polled less than 41% of the vote and, in fact, this low point was reached in 1958 when the Cyprus issue cut heavily into Caramanlis' strength. In 1961, ERE received just over 50% of the total vote, and increased its vote in 50 of the nation's 55 electoral districts, thus establishing itself as by far the strongest Greek political party. Despite the Center Union's "unrelenting struggle," the "Lambrakis Affair," and the potential rifts in ERE revealed by the disagreement between the King and Caramanlis in June, ERE is unquestionably still the strongest party on the Greek political scene.

[redacted]

On the other hand, the party has its weaknesses. One, of course, is the cleavage in ERE caused by the ambitions of many in the front ranks to succeed as leader should Caramanlis falter; these ambitions came clearly to the fore during the first days of the crisis in June. Another is the erosion that inevitably sets into any political party in power for a long time; and ERE has held the reins of government for eight years, a very long period by Greek standards. The party has done little to develop an effective youth movement in the party, despite the evidence that in the last two years the other two nationalist parties and the left have made considerable strides in capturing the support of the university youth.

But paradoxically perhaps the greatest potential danger to the party comes from what is simultaneously its greatest strength—Caramanlis himself. The former Prime Minister has often been accused by his subordinates of being too autocratic, of being too harsh, etc. (especially with them), in his day-to-day relationships. From reports received, his three months of self-exile in Switzerland has not softened these tendencies. In this connection, it has to be admitted that in the past two years Caramanlis has been exposed to a degree of vituperation which might have broken a more fragile personality. However, the criticism has undoubtedly taken its toll, and Caramanlis is reacting to this when he demands "basic changes" in Greek public life. [redacted]

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Thus, the image that Caramanlis has projected since his return from Switzerland is one of a man irritated and frustrated by the attacks upon him and by the "blackmailing" tactics of CU leader Papandreou (which were certainly successful) in demanding the resignation of Pipinelis. [redacted] This attitude, plus his determination to obtain a revision of the constitution, has done nothing to diminish the usual penchant of the Greeks to criticize their leaders and to cut them down to size. It has tended to increase charges being made by the opposition, and some by persons within ERE ranks for their own purposes, that Caramanlis is aiming at a dictatorship. Whether these allegations of dictatorial tendencies on the part of the former Prime Minister have filtered down to the man in the street to detract substantially from the charisma that Caramanlis has up to now undoubtedly held for the common man makes for interesting speculation.

(b) The Center Union

Prior to the 1961 elections, an Embassy report (A-291, 10/20/61) observed that the center parties have been "passing through a protracted crisis since the end of World War II" and concluded that "they have remained essentially middle class in origin, having lost the distinctive appeal they once had under the elder Venizelos, and have been unable to broaden their popular base to include the emerging working class voters." This inability to broaden its popular base continued to characterize the Center Union in 1961, when it only succeeded in increasing its percentage of the total vote to 33% from 1958's 31% (although doubling its parliamentary representation due to the provisions of the electoral law).

Thus, the Center Union's problems would seem to lie with the party itself— [illegible]s lack of organization, its failure to put forth an attracti[illegible]ram which would appeal to the Greek voter and offer an alt[illegible]to ERE, and most importantly, its failure to find new leade[illegible]p. (See A-227, 8/22/63.) Its present leadership of George Papandreou and Sophocles Venizelos, with both men long past their prime, is hardly calculated to appeal to the Greek voter, and even less so in view of the perennial personal feud which has been characteristic of their relationship at least since World War II.

Nevertheless, while the CU would seem to have little hope of getting a plurality of votes in the forthcoming elections, their chances of improving their share of the vote over 1961 are good.

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In this, they should be helped by the negative factors affecting ERE mentioned above: the Lambrakis affair, the inevitable erosion on the party in favor for 8 years in office, the desire for a change, and the concern about Caramanlis becoming "too strong." Their "unrelenting struggle" of the party waged since 1961 has probably had some success in undermining confidence in the ERE Government. Further, the poor prospects of EDA should resound to the CU's benefit, since many voters will hesitate to "throw their vote away" on a party seemingly certain to come out third.

Finally, the CU chances have been helped by Papandreou's "victory" in forcing the resignation of the Government of Panayotis Pipinelis. Although Papandreou's tactics in "blackmailing" the Palace to obtain the resignation of Pipinelis--by threatening to abstain from elections otherwise--was deplored in many circles, nevertheless, by getting the scalp of Pipinelis, Papandreou scored a considerable psychological victory. This, of course, was what he wanted; as he told Ambassador Labouisse in August (A-266, 8/31/63), although he realized Pipinelis would conduct fair elections, he needed Pipinelis' resignation to show some personal success and to hearten his followers. The fall of Pipinelis gave an undoubted lift to the Papandreou camp, and started a trend towards greater optimism on the part of the CU that has continued into the electoral campaign.

(c) The Progressives

Markezinis' 1963 electoral prospects are poor, despite the fact that he is conducting a serious and thoughtful campaign. In the months prior to elections it had generally been assumed in Greek political circles that, unless a straight proportional system were voted, the Progressives would not feel strong enough to enter the electoral lists alone but would join with some other major grouping. To this end Markezini held a number of talks with CU leader Papandreou but, apparently because of what was regarded as the extremism of Markezinis' demands, they came to naught. A factor in this was, of course, the bitterness of many in the party--and particularly Venizelos--over the fact that after profiting from his association with the CU in 1961 and electing 14 deputies (later increased to 16) Markezinis then abandoned the Party. Markezinis also held talks with ERE figures such as Rodopoulos, but apparently he could offer little to attract that party. Talks with EDA also failed to produce any agreement, because of Markezinis' disinclination to be identified with the extreme left.

The result is that Markezinis goes to the polls with only his Progressives behind him, a bleak prospect indeed. The fact that Markezinis had until recently 16 deputies (two have since defected to CU) is misleading, since they were elected on the CU ticket. In 1958, running with PAEK, which got 11% of the vote,

Markezinis succeeded in electing only himself (Much of the 11% of 1958 derived from the participation in PAK of Alexandros Baltadjis' Agrarians, as well as such other current CU figures as Stelios Allamanis, Savvas Pappapolitis, and Stephen Stafanopoulos.) At the most, then, Markezinis can hope for up to 5 deputies; at the worst, none, with the outside chance that he might not even be elected himself.

[redacted]

d. EDA

In 1958 the Communist-line EDA aroused considerable concern in the Greek political world and elsewhere because it captured almost a quarter of the total vote and, due to the split in the center, became the second largest party in the Parliament. Prior to this, EDA had never obtained more than approximately 13% of the vote, its estimated figure in the 1956 elections when it participated in a coalition with the Center parties. The question posed by the EDA success in 1958 was whether it meant that a quarter of the Greek voting public had become alienated from the nationalist parties (and nationalist ideas) or whether the high leftist vote represented a unique combination of circumstances.

By falling to only 15% of the national vote in 1961, the answer seemed to be that what happened in 1958 did not really reflect the true strength of EDA but only the particular circumstances of those elections. Certainly the tremendous drop in strength (in the parliament, from 79 to 24 seats) dealt a tremendous blow to the morale of the party, and reports from all sources indicated that the party was going through a severe crisis.

However, the Lambrakis affair came as a real shot in the arm to EDA. Efforts to reorganize the party were reported throughout the country, and the party swung from its previous defensive posture into a more aggressive approach to the political situation. EDA was also aided undoubtedly by the Thessaloniki arrests of the gendarmerie officers; reports of demoralization of the gendarmerie were current throughout Northern Greece, as were reports that the Pipinelis Government had removed gendarmerie surveillance of EDA leaders and activities (reports which turned out to be incorrect).

The boost that EDA obtained from the Lambrakis affair and its aftermath appears to have been of short duration. The divisive forces within the party soon reasserted themselves. The EDA received a major setback from the failure of its efforts to form a popular front with the Center Union, efforts that had been encouraged by the prospect of a break-up in the center party. Finally, EDA's failure to pick up any new candidates of the "fellow traveling" type made its

appear less attractive to the non-Communist left within the party. (In fact, one of its most effective fellow travelers, Elia Bredimas, has been dropped from the party and is running independently.)

Thus, EDA would seem destined to run third in the forthcoming elections, and probably a poor third at that. The EDA pre-electoral rallies in Thessaloniki, Piraeus and Iraklion fizzled out, with attendance strikingly meager in all places. While it is true that leftist voters tend to be more reluctant to proclaim their sentiments in public, nevertheless the poor showings are considered significant straws in the wind.

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4. Prospects

Based on a study of the above factors, the Embassy has arrived at certain preliminary estimates which are subject to change as the campaign progresses. (The Embassy will submit its final estimates in the last few days before elections.) For the moment, it appears that the ERE party of Constantinos Caramanlis will get a lower percentage of the vote than in 1961 [redacted]

The Center Union should [redacted] more votes--and seats--than in 1961. This is based on the poor prospect for EDA, center unity, and the psychological boost given the CU campaign by Papandreou's success in bringing about the fall of the Pipinelis Government.

EDA will probably do about the same as it did in 1961, or very slightly better, with a slight increase in seats. If the CU continues to pick up speed the EDA might even drop off a percentage point or two.

In any case, the above results, if accurate, portend the continuance of long-range instability in Greek political life. If Caramanlis comes back with an appreciably reduced majority and less than 160 seats in the Parliament, he will be highly vulnerable to pressures from within his own party. According to some reports, Caramanlis will refuse to form a government if he has less than 160 seats. In any case, the ERE leader would probably be unable to move forward with any of the bold reforms of the economy and education that he has proposed in his speeches. In such an event, it is very possible that new elections would be in the offing in the not too distant future, since no one--except the left--would have much to gain from the protracted impasse which might well result.

For the Chargé d'Affaires, a.i.

H. Daniel Brewster

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